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TRADE AGREEMENTS

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The trade agreement seeks to preserve and maintain industrial peace. It does not settle strikes, though it frequently embodies the terms of such settlements. Its proper function is to prevent their occurrence and the bitterness out of which they grow. It provides the machinery for redress of grievances, real or imaginary, and adjusts wages to profits or commercial conditions either automatically, as in the sliding scale, or through conferences, instead of conflicts. It is the embodiment of the exhortation "Come, and let us reason together."

Primarily, of course, trade-agreements are wage agreements, and in many of them wages and hours of labor with arbitration clauses to cover misunderstandings concerning these specific points are the only questions considered. The more important agreements, however, cover all contingencies that could ordinarily arise in the occupation or industry, and provide peaceable means for the adjustment of unforeseen difficulties.

The earliest trade agreement of which there is record is one of the year 1795 between the employers and workmen of the printers' trade. This was a simple wage agreement of a very primitive type. The expansion of the agreement principle so as to cover more than mere wages and hours of labor began in the 30's, when an effort was made to control the employment of apprentices and "two-thirders."¹

Since that time there has been a steady broadening of the field of subjects covered by the trade agreement. There has also been an extension of the geographical territory of the trade agreement. At first it was purely local in its extent, affecting usually a single establishment and at most a single city or district of small area. At present trade agreements may be national and even international in their scope. On this basis three kinds of agreements may now

¹See "A Documentary History of the Early Organizations of Printers," by Ethelbert Stewart, Bulletin of the Bureau of Labor, No. 61, also "The Printers," by Dr. George E. Barnett, published by American Economic Association.

be distinguished. These are (1) the agreements which are purely local; (2) those which are co-extensive with the industry, and (3) those which cover large industrial areas or districts. Into the first class fall the establishment agreements and those covering a single city, such as the agreements of the carpenters, painters, etc. The general agreements are made between national organizations on both sides and are thus either co-extensive with the industry; or without being co-extensive with the industry nevertheless cover large districts and embody a number of local scales. As examples of uniform scales co-extensive with the industry may be cited those of the stove founders, the glass bottle blowers, flint glass workers, window glass blowers, brotherhood of potters, iron and steel workers, tin plate and sheet steel workers, tin house workers, etc. As illustrative of the district agreements may be cited those of the coal miners, and the American Newspaper Publishers' Association, the longshoremen's agreements, etc.

Again, there has been a tendency toward the gradual extension of the life of trade agreements. Originally they were for one year, now they frequently are for five years. Even in the building trades the life period of agreements has radically changed. Over twenty per cent of all the local unions of carpenters, for instance, have agreements, many of which are for three years even when a different wage scale is named for each year. The iron molders are likewise extending the time covered by agreements.

The iron molders union and the stove founders have had agreements since 1890. At present the agreement covers every important stove manufactory in the United States, and provides for almost every conceivable emergency. By virtually guaranteeing piece rates, it has abolished restricted production. This organization has a large number of trade agreements with job and machine foundries, and the tendency is to increase the life of these agreements, so that whereas formerly all were for one year, many are now for three years. The Foundrymen's Association, which a few years ago became inoculated with the "no trade-agreement" craze which struck the country, has checked somewhat the progress of agreements in this industry.

The sliding scale has frequently been made the subject of a trade agreement. In 1848, during the strike of iron puddlers in the Pittsburgh and Wheeling district, Horace Greeley suggested to

the disputants that they get together and agree on a fair rate of wages based on the selling price of iron, the agreement to be self-perpetuating and automatic, the wage rate going up and down with the selling price.² Though this suggestion was much discussed,

²*Strikes and Their Remedy.*—The recent strikes for wages in different parts of the country, but especially those of the iron puddlers of Pittsburgh, suggest grave and yet hopeful thoughts. In reading the proceedings of the strikers, an observer's attention will be arrested by their emphatic though unconscious condemnation of our entire social framework as defective and unjust. Probably half of these men never harbored the idea of a social reconstruction—never even heard of it. Ask them one by one if such an idea could be made to work, and they would shake their heads and say, "It is all well in theory, but it will never do in practice." But when they come to differ with their employers, they at once assume the defectiveness of our present social polity, and argue from it as a point by nobody disputed: "We *ought* to be paid so much (thus runs their logic) because we need and they can afford it." "*Ought*," do you say, friends? Don't you realize that the whole world around is based upon *must* instead of *ought*? Which one of you, though earning fifteen dollars a week, ever paid five cents more than the market price for a bushel of potatoes, or a basket of eggs, or a quarter of mutton, because the seller *ought* to be fairly paid for his labor, and couldn't really *afford* to sell at the market rate? Nay, which of you well-paid puddlers ever gave a poor widow a dollar apiece for making your shirts when you could get them made as well for half a dollar, even though at the dollar you would be getting three days' work for one? Step forward from the ranks, you gentlemen that have conducted your own buying and hiring through life on the principle of "*ought*," and let me make my obeisance to each of you! I shall do it right heartily, and with no fear of being rendered neck-weary by the operation.

Yet that "*ought*" is a glorious word when applied to the relations of business and of labor—we must not let it be forgotten. There are in it the seeds of a revolution more gigantic and pervasive than any Vergniaud or Kossuth ever devised. Heaven speed the day when, not only in iron but in all branches of industry, the reward of labor shall be regulated not by "*must*," but by "*ought*." . . .

The most melancholy feature of these strikes is the apparent indisposition on either side to discover any law whereby these collisions may be terminated for the present and precluded in future. It seems so natural for the workman to say, "You tell us that you can pay but three-fourths of our former wages because of the low price of iron; now suppose we accept your terms, will you agree that our wages shall advance whenever and so fast as the price of iron shall improve?" "Yes," would be the natural and proper answer of the masters, "if you will agree that they shall be reduced whenever and so fast as iron shall decline still further." This being accepted the entire relation of capital to labor in this particular department is readjusted on the basis of proportion or common interest instead of that of arbitrary wages, evolving contrariety of interests. Now the puddler gets so much, although the iron should not sell for enough to pay him, and cares very little whether the business is prosperous or depressed, save as its suspension may turn him out of work. But with the establishment of proportion as a law of the trade, every worker's interests would be on the side of prosperity, and his wages every week depend on the price which iron should bear at the end of it.

But from neither party to this controversy do I hear one fruitful or reconciling word. From the journeymen's side, we have all manner of Jacobinic clamor against the oppressions of capital, wealth, monopoly, etc., but no practical suggestion for their removal. No one says, "Let us hire iron works (of which there are abundance shut up) and go to making iron as our own masters." Even in Wheel-

it was not until some seventeen years afterward, on February 13, 1865, that the Sons of Vulcan and the five representative iron manufacturers of Pittsburgh signed a wage agreement recognizing as its basic principle the sliding scale.³ This organization merged with the Amalgamated Association of Iron and Steel Workers in 1876, the sliding scale being a recognized principle in all agreements made by it from that date to the present.

The sliding scale was made the basis of the agreement of 1902 between the American Flint Glass Workers Union, and Manufacturers Association, so far as the items of jelly glasses and common pressed tumblers were concerned and, as a result, the restrictions on production were taken off these, and the piece-rate guaranteed. The principle of the sliding scale was adopted by the Anthracite Coal Commission in its award and now regulates the wages of coal miners in the anthracite field. Friends of industrial peace and good wages

ing, where there has been a great meeting of iron workers to sympathize with and encourage the Pittsburgh puddlers, no voice uttered the creative words, "Stop depending on masters, and go to making iron for yourselves!" How is it that a course so obvious, so decisive, and now rescued from the fatal taint of novelty by a signal success, should remain unadopted and even unconsidered?

Since the above was written and published, the organization of the various branches of iron-making and manufacture on the basis of proportion or association has been earnestly considered by the workers of Pittsburgh, and several attempts at practical association are now in progress or in contemplation by them.—From "Hints Toward Reform," by Horace Greeley. Harper Bros., New York, 1850.

³Below will be found in tabular form the agreed scale of 1865 and the scale of 1910, side by side. In 1865 bar iron sold in Pittsburgh district for \$123.20 a ton during practically the whole year, *i. e.*, 6.16 cents per pound. In March, 1910, the Pittsburgh price of bar iron was 1.65 cents per pound. A glance at the table will show that puddlers earned \$6.50 per ton in 1865, and \$6.12½ per ton in 1910. A puddler and helper will puddle one and a quarter tons in a day, of which the helper gets one-third and the puddler two-thirds.

1865.				1910.			
Selling Price per Pound	Puddlers' Wages per Ton of 2,240 Lbs.	Selling Price per Pound	Puddlers Wages per Ton of 2,240 Lbs.	Selling Price per Pound	Puddlers Wages per Ton of 2,240 Lbs.	Selling Price per Pound	Puddlers' Wages per Ton of 2,240 Lbs.
\$0.0250	\$4.00	\$0.0575	\$6.50	\$0.0100	\$5.00	\$0.0155	\$5.87½
.0275	4.50	.0600	6.50	.0105	5.00	.0160	6.00
.0300	4.50	.0625	7.00	.0110	5.00	.0165	6.12½
.0325	4.75	.0650	7.00	.0115	5.00	.0170	6.25
.0350	4.75	.0675	7.50	.0120	5.00	.0175	6.37½
.0375	5.00	.0700	7.50	.0125	5.12½	.0180	6.50
.0400	5.00	.0725	8.00	.0130	5.25	.0185	6.62½
.0425	5.50	.0750	8.00	.0135	5.37½	.0190	6.75
.0450	5.50	.0775	8.25	.0140	5.50	.0195	6.87½
.0475	5.75	.0800	8.50	.0145	5.62½	.0200	7.00
.0500	5.75	.0825	8.75	.0150	5.75		
.0525	6.00	.0850	9.00				
.0550	6.00						

wish for the extension of this principle to the many industries to which it is applicable.

While, of course, wages and hours occupy the principal place in trade agreements, all points of possible controversy can be and usually are covered in the terms of carefully thought-out agreements. Thus the vexatious problems presented by "jurisdictional conflicts" were solved by the master plumbers of Chicago, by means of a joint agreement between themselves and all unions having membership in their employ, the agreement stating minutely and in specific terms the distribution of the work. Where building trades councils exist, joint agreements could eliminate all jurisdictional disputes by incorporating a specific allotment of all classes of work in the terms of the agreement. In this way local employers could solve, at least for themselves, these otherwise hopeless annoyances, whether or not the American Federation of Labor shall finally prove able to settle its "jurisdictional fights."

In similar fashion restrictions on output have been entirely eliminated in many industries by trade agreements with the unions. In others, such as the sanitary potteries, some branches of the glass industry, the gold-beaters, and many others, output restrictions are made subject to agreements, and are not left to the arbitrary fixing by union rules. In fact no devices, not even bonus systems and premium plans, have done so much to remedy the evils of restriction on output as has the open discussion of it in conferences called to effect trade agreements. The practices complained of, such as pace-setting, speeding up, piece-rate cutting, setting young against old and then discharging the old, practices which restriction of output was inaugurated to offset, are subject to review and elimination by agreement. A reasonable standard of efficiency is set up beside a reasonable day's wage, and both are defined; hence the object of restriction of output is gained without resort to it.

The glass bottle blowers have carried the principle of the trades agreement to the extent of making apprenticeship regulation directly subject thereto. This union had wage scale agreements with their employers as far back as 1846; trade agreements in the broader sense began in 1879 and still continue. At present the "scale committees" of both organizations, that is the employers and the workmen, meet yearly and agree upon an elaborate piece-rate list in addition to complicated working rules. Apprenticeship regu-

lations have been taken out of the constitution of the union entirely and made subject to the annual trade agreement. Owing to the encroachment of the blowing machine, the employers agreed to take on no apprentices during the present year, while the union agreed to a twenty per cent reduction on piece-rates in hand shops on all bottles which are also made by the machine, and further agreed to a regulation of hours which permits continuous operation in three eight-hour shifts, of such plants as must compete with machine-blown ware. To give up taking on more apprentices is not so much of a concession on the part of the manufacturers as might appear. The machine had thrown approximately a thousand blowers out of work, in a total of nine or ten thousand. To go on turning out more blowers would be to so glut the market with idle skilled blowers, that others would be tempted to erect factories, and non-union factories at that, thus increasing the volume of non-union product which the association members must buy up as jobbers to prevent its being retailed at cut rates.

On the other hand, many of the concessions made by both sides have been genuine. Thus the use of intoxicants, or even the bringing of such upon the premises of the factory, is prohibited and made a cause for discharge in the agreements of each of the three divisions of the glass industry. The longshoremen's agreements also prohibit the employer's foremen from selling liquor to the workmen and the men from having liquor on the premises.

Sympathetic strikes are regulated or controlled by the terms of many of the agreements. One growing objection on the part of the weaker unions, to the trade agreements of the stronger unions is that they prevent sympathetic support. There is a danger that in this, as in the control of union constitutional provisions by trade agreements, some employers' associations seek to go too far. Sympathy is deeper than collective bargaining or than trade unionism itself, and cannot be suppressed by parchments. To attempt to go too far in this direction endangers the parchment rather than the sympathy.

While the trade agreement is usually entered into between employers and unionized labor it is not at all incompatible with "open shop" conditions, except in cases where "open shop" is used as a subterfuge for non-union shops. Of course, where no organization is permitted and men are dealt with only as "individuals" there can

be no trade agreements. The employers may promulgate wage scales and working rules, but these are edicts, not agreements. Nevertheless, trade agreements need not necessarily involve "recognition of the union" for such as are oversensitive on this point.

The objections to open shop trade agreements on the part of trade unionists have to do principally with the disciplining of its members by the union. Open shop agreements, especially long time agreements, are disorganizing. The printing pressmen, for instance, find that when they make a three- or five-year agreement on an open shop basis, their members in that shop cease to pay dues. Rates and hours are fixed for three years. Union membership is not necessary to retention of employment and the workmen stop paying dues or attending the union meetings until just before the agreement expires. That was true of the coal miners in the anthracite field when the commission fixed conditions for a period of years, and it will always be found true in case of long time open shop agreements. Another objection to the open shop trade agreement is that the unions cannot guarantee to enforce the terms of their part of an agreement in shops where the violation may be by a workman who is not a member of the organization or whose position in the shop cannot be jeopardized by any attempts the union may make to discipline him. Open shop agreements can, therefore, cover little more than wages and hours; can at best only detail what the employer guarantees in the way of conditions.

Where the employer is a great corporation engaged in an enterprise toward which the labor involved in the agreement is only indirectly contributory, trade unions usually do not insist on closed shops. The machinist union, for instance, which, in case of small machine shops and with employers who are simply producers of machinery, are most insistent on card shop agreements, has a separate branch to deal with railroads, and this branch is entirely satisfied usually with open shops. The railroad company is in the transportation business and its machine shops are entirely subsidiary to its main purpose. If a railroad company agrees to pay a certain rate and work certain hours, it is not going to try to use non-union men to undermine that rate or those hours. There is not enough in it to be worth while; hence, in such a case, open shop agreements are safe enough for wage protective purposes.

In the case of a large association of employers, composed of

members operating union factories, "open shop," and in some instances non-union plants, the trade agreement is made to furnish a court of appeal for members of the union working in any plant covered by the association, whether that plant is union or not. This furnishes a redress for grievances for straggling members of the union working in an "open shop," which non-union employees in the same shop do not possess. This advantage operates in every instance to bring those employees into the union, thus unionizing all the open shops in the association.⁴

The first agreements in an industry are usually crude, and yet this is the critical period of experiment. New unions, and employers new to the trade agreement experiment, would benefit by the advice of experienced advisors. Thus the superintendent of one of the large Chicago packing houses complained that the "recognition of the union" with him had meant that he had 217 "shop committees" in the various departments of the plant, and that all his time was taken up meeting committees. The trouble here was that the trade agreement did not provide for the sifting of "grievances" through a central control inside the union. "Shop committees" should report their fancied grievances to the union as a whole or to its executive officers, who are usually able to tell real from imaginary wrongs. The employers should have but one committee to meet, and its personnel, while it cannot be named, can be controlled by the terms of the agreement to the extent that unreasonable hotheads and personally disagreeable persons can be excluded from it. The union above referred to was "smashed" because it was new, oblivious of the fact that unions cannot be born old. On the other hand, a general manager of a tin plate plant said he had conducted a union plant for eight years and had never been called upon by a committee. "If they have any troubles they fix them up," he said. Employers who profess to be in favor of the older conservative unionism, but intolerant of new unions which they proceed to "smash" are either not entirely ingenuous and frank, or are rather inconsistent. If half the money, time, and intelligence that is employed to smash new unions were devoted to sympathetic direction of their councils and education of their membership, they could be "aged" much faster.

Trade agreements have done more to humanize the conditions

⁴See Commons and Frey, Bureau of Labor Bulletin, No. 62.

of labor and minimize strikes than any other single instrumentality. They are entered into on the part of the employers by the employer himself or, in case of corporations or associations, by men higher up in the control, and representative of real interests. It is in the discussion of the terms of trade agreements that these men "higher up" often get their first inlook into those working conditions so fruitful of unrest. Entirely apart from wages and hours, conditions of labor which irritate or are considered by the workmen as intolerable are sometimes created by the overzeal or whim of a foreman, a "speed boss," or a gang boss. The real employer hears of these for the first time when he is called upon to discuss the terms of a trade agreement. Since, as a general rule, the higher up in the councils of the employers the more willingness to remove petty sources of irritation, the trade agreements and the discussions preceding them have done much to eliminate these.

The trade agreement enables the employer to have a voice in the affairs of the trade union, to control it in fact within the limits of the terms of the agreement, and, on the other hand, enables the workmen to control the acts of the employer and his subordinate foreman and gang boss, not only as to hours and wages, but as to treatment of men, sanitation, and general working conditions, where these are covered in its terms. It is the mutual working basis, the magna charta of each.

The extent of control possible to be exercised over strictly union affairs by employers, through the medium of the trade agreement, is evidenced by the Illinois Coal Operators' Association in forcing the reduction of the union's initiation fee from \$100 to \$10. It is true that some organizations, notably the International Typographical Union, declare that their constitutional provisions and established trade regulations are not subject to bargaining, trade agreements or arbitration. Nevertheless, since only the regulations and constitutional provisions in force when a trade agreement is made can affect its provisions, the increase in long-time agreements has tended to decrease the number of constitutional amendments and new working rules, since these cannot affect a very large number of establishments for a considerable term of years. As late as 1902 the New York Typographical Union No. 6 agreed with the United Typothetæ to submit to arbitration "such points as conflict with the present International Typographical laws."

The international, however, refused to sanction the arbitration. The attempt to control unions through trade agreements had in this case been carried too far.⁵

On the whole, however, there is not much opposition to this principle of mutual control by the leaders on either side. The Building Trade Contractors' Associations of Chicago and elsewhere, the stove manufacturers' associations and many other groups of organized employers found it impossible to control their own membership in the matter of wages paid and working hours, and were more than willing to have the assistance of the unions in making these conditions uniform, to eliminate this element of uncertainty from competitive bidding or prices. Uniformity of wages is as important to manufacturers in competitive industries as fair earning opportunity is to the workers. Associations of manufacturers have never been able to maintain a uniform wage scale. This can only be assured when, as in the case of the Stove Founders' National Defense Association, a national employers' organization enters into a trade agreement with a national labor organization like the iron moulders. By the terms of this agreement, each manufacturer must keep an agreed-upon printed book of piece rates posted in the shop. The workmen will see to it that the rates are paid. This association made its first agreement with the national union in 1890 and has had no serious trouble since. The history of these agreements is eloquent with argument for the abolition of unnecessary strife.⁶

Labor leaders, on the other hand, are frequently glad to get clauses into trade agreements which will enable them to hold extremists and discordant elements within the union ranks in check. It is not uncommon for trade agreements to contain a clause to the effect that during the life of that agreement its terms are inviolable, anything in the constitution of the union, or any vote taken by it to the contrary notwithstanding. That the rank and file of organized labor are conservative and impelled to radical action only by agitating leaders has not been the experience of those who have been brought in contact with them. Trade agreements, therefore, make

⁵The discussion of the "sacredness of treaty obligations" and the power of treaties to set aside laws and even constitutional provisions growing out of the California-Japanese incident reads very much like that between the International and the Typothetae over trade agreements.

⁶See "Conciliation in the Stove Industry," by Prof. John R. Commons and John P. Frey, Bulletin of U. S. Bureau of Labor, No. 62.

for conservatism, and are generally opposed by radical organizations such as the Industrial Workers of the World.

When the American intellect sincerely and squarely expends as much effort to solve the problems of labor as it has to sell the products and reduce the wages of labor, those problems will be solved. As yet, American intellect has left the problems of labor to labor and interested itself only in preventing labor from solving them. The solution of the seniority problems presented by the dual organization membership contentions between the Brotherhood of Locomotive Engineers and the firemen's organization on railroads west of Chicago this spring shows that there are no irreconcilable conflicts, no unsolvable problems. An unsolvable problem in the labor world can only grow out of a situation which, if it presents unsolvable problems, must be abandoned.

Edicts by employers, however liberal on the money side, will never quite fill the place of mutual trade agreements. They lack the machinery for humanizing industry. We have seen lately at McKees Rocks, and at Bethlehem, the result of carrying working conditions to the point where unorganized, non-union men revolt. The most widespread labor revolt that ever occurred in this country, that of 1877, was a revolt of unorganized men and the immediate cause was not directly a question of wages.

There is always danger of strife where there is no one in authority whose business it is to see that the discipline so necessary for the economic conduct of any plant does not become dehumanized; no machinery for disciplining discipline when it overdoes itself and becomes a hatred generator, and no check on small men with large authority, that is, no check upon the use of authority by men who had been given power over other men solely because of their technical knowledge or ability to do things, to direct others in the doing of things, and to "get out the goods," without regard to their ability to get along peacefully with men. There are "production engineers," "speed bosses," superintendents of everything except the humanities of work. But there is always danger where there is no escape-valve for moral explosives. The "grievance committees" of trade unions may be an intolerable nuisance to some employers of labor who feel justified thereby in denying their employees the privilege of organizing. It would, however, seem to be the part of wisdom for such employers to fill this place in

some manner, either by the appointment of some one who, in constant touch with the highest officials, and who, with authority direct from them, shall act as a superintendent of the humanities of discipline and of work, minimizing the occasion of "grievances," or in some other manner prevent the Leyden jar of human hate from becoming overcharged.